



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

March 3, 2014

## MEMORANDUM

**To:** Representative Stroebel

**From:** Gordon M. Malaise, Sr. Legislative Attorney, (608) 266-9738  
Marc E. Shovers, Managing Attorney, (608) 266-0129

**Subject:** Technical Memorandum to **2013 AB 697** (LRB-3418/1) by **DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## **MEMORANDUM**

February 13, 2014

**TO:** Gordon Malaise  
Marc Shovers  
Legislative Reference Bureau

**FROM:** Mike Wagner  
Department of Revenue

**SUBJECT:** Technical Memorandum on Assembly Bill 697: Relating to the Amount of an Academic Excellence Higher Education Scholarship, the Number of Those Scholarships that may be Awarded in an Academic Year, the Eligibility Criteria for Those Scholarships, Creating an Individual Income Tax Credit for Certain Academic Scholarship Recipients, and Making an Appropriation

The Department has the following concerns related to the bill:

Under the bill, an individual may receive a nontaxable scholarship for 50% of the tuition and a credit for 50% of the tuition. Under current law, an individual (or parent if child is a dependent) is allowed a subtraction from income for the tuition that was paid or for contributions to a college savings account. Under the bill as currently drafted, a deduction and a credit could potentially be claimed for the same tuition payment.

The bill does not provide a definition for "segregated fees." The Department may have to define "segregated fees" by administrative rule if no statutory definition is provided.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or [bradley.caruth@revenue.wi.gov](mailto:bradley.caruth@revenue.wi.gov).

cc: Representative Stroebel